



# California Public Utilities Commission

## Overview of Limousine and Transportation Network Company Regulations

### CHARTER-PARTY CARRIER (TCP)

TCPs are required to enroll in the California Department of Motor Vehicle's (DMV) "Employer Pull Notice" (EPN) program to receive automatic notice of adverse entries or actions on a driver's driving record.

*(Public Utilities (PU) Code section 5384(a)(1)(D); General Order (GO) 157-D, Rule 5.02, and California Vehicle Code (CVC) section 1808.1)*

### TRANSPORTATION NETWORK COMPANY (TNC)

#### DMV Pull Notice Program

CVC section 808.1 limits enrollment in the EPN to employees. The DMV does not currently permit TNCs with non-employee drivers to enroll in its Pull Notice program. Unless the law is changed and the DMV permits TNCs to enroll, the CPUC requires TNCs to check each driver's driving record prior to allowing a driver on the platform, and quarterly thereafter.

*(CPUC D.13-09-045, p. 42)*

#### Inspections

CVC does not require inspection of commercial vehicles with a seating capacity of 10 or fewer persons, including the driver. CPUC rules provide that "every carrier must inspect all vehicles and maintain proper documentation of such inspections." (GO 157-D, Rule 4.02). PU Code section 5374(a)(1)(C) requires that carriers have a preventive maintenance program that complies with California Highway Patrol (CHP) regulations in Title 13 of the Code of Federal Regulations (CFR), but those only apply to buses (i.e., vehicles seating more than 10 passengers).

Prior to operating, and annually thereafter, vehicles used to provide TNC services must pass a 19-point inspection, including foot and emergency brakes; steering; windshield; rear window and other glass; windshield wipers; headlights; tail lights; turn indicator lights; stop lights; front seat adjustment mechanism; doors; horn; speedometer; bumpers; muffler and exhaust; tires; rear view mirrors; and safety belts.

*(D.13-09-045, p. 28-29)*

#### Insurance

Liability coverage for death, bodily injury, and property damage, based on vehicle seating capacity, including the driver:

- 16 or more: \$5,000,000
- 8-15: \$1,500,000
- Up to 7: \$750,000

*(PU Code section 5391, GO 115-F, p. 1)*

TNCs must provide commercial liability insurance coverage of at least \$1 million per incident during the provision of TNC services (D.13-09-045, p. 58). TNCs are permitted to carry 8-10 persons, including the driver, if they have \$1.5 million in insurance coverage (D.13-09-045, p. 28, fn. 40).

- Uber provides coverage in excess of the mandatory minimums: \$100,000 injury coverage and \$25,000 property damage coverage when a driver is "available but not on a trip," and \$1,000,000 in liability, \$1,000,000 in uninsured/underinsured motorist coverage, plus comprehensive and collision insurance during a trip.

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## CHARTER-PARTY CARRIER (TCP)

## TRANSPORTATION NETWORK COMPANY (TNC)

### Insurance continued

- During trips, Lyft provides \$1 million in uninsured/underinsured motorist coverage, \$1 million in liability coverage, and \$50,000 comprehensive and collision coverage. Lyft also provides \$100,000 contingent liability when a driver is available but has not yet accepted a request.

### Airport Authority

TCPs may not operate on airport property unless authorized by the CPUC and the airport authority. The CPUC may suspend or revoke the permit of any TCP that violates an airport authority's safety or traffic-related rules and regulations.

*(PU Code section 5371.4 and GO 157-D, Rule 3.02)*

TNCs cannot operate on airport property unless authorized by the airport authority.

*(D.13-09-045, p. 33)*

### Criminal Background Checks

CPUC rules do not require TCPs to conduct criminal background checks on their drivers.

TNCs must conduct criminal background checks for each applicant before the applicant may become a driver. The background check must be a national criminal background check, including the national sex offender database, and be based on the applicant's name and social security number. Convictions within seven years for violent crimes, DUI, fraud, use of a motor vehicle to commit a felony, sexual offenses, acts of terror, or crimes involving property damage or theft will bar applicants from becoming TNC drivers.

*(D.13-09-045, p. 26; (California Civil Code section 1785.13(a)(6) limits the reporting of crimes to seven years by non-governmental reporting agencies)*

### Drug and Alcohol Use

TCP drivers are prohibited from consuming or being under the influence of drugs or alcohol while on duty. (GO 157-D, Rule 5.04). TCP drivers operating vehicles with a seating capacity of 16 persons or more, including the driver, are covered by federal Department of Transportation drug testing rules. TCP drivers operating vehicles with a seating capacity of 15 persons or fewer, including the driver, are covered by the CPUC's drug testing program, which is based on federal law and which establishes requirements including pre-employment testing, post-accident testing, reasonable suspicion testing, follow-up testing, and return-to-duty testing.

*(PU Code section 5384(a)(1)(I), GO 157-D, Part 10)*

TNCs must implement and disclose a zero-tolerance policy with respect to drivers' use of intoxicating substances. TNCs must disclose to riders how to report a driver suspected of being under the influence of intoxicating substances, and must suspend a driver promptly after a zero-tolerance complaint is filed.

*(D.13-09-045, p. 26-27)*